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Exam.-Room Problems.



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EXAM.-ROOM PROBLEMS

And Suggestions for their Solution.

By "PRIZEMAN."

IN agreeing to write this series of short articles for our Introductory. old friend *The Accountants' Journal*, one was mindful of the fact that it has contained, from time to time, prints of lectures and essays by some of the greatest authorities in our profession, on technical subjects of which they have made a life study, and it appeared to the writer, in selecting this subject for the series, that his rough notes on problems set in the exam. room, together with practical suggestions for their execution and solution, would be deemed to be one particularly suited to a journal which is avowedly sacred to students' subjects, and therefore would not be considered out of place. It is a comparatively new ^{A timely subject.} theme, at any rate on these lines of treatment, and it lies within the particular realm of students—disciples and not the apostles—of professional accountancy. The writer may observe too, without egotism, that it is a subject on which, perhaps—by years' experience in consistently wrestling with exam. papers, with an enthusiasm worthy of a better cause, and by his work amongst students themselves preparing to follow suit—he may be, in a measure, fitted to offer advice.

To review at any length *all* those difficulties which students have to overcome in the exam. room would take up far more time and space either than our genial editor can afford, or than students would be prepared to devote to its reading. As this is so, the following ten points have been selected for full, and it is hoped useful, treatment:—

1. Exam.-room equipment.
2. The order of working out the answers.
3. The style of written answers on lengthy topics.
4. Detailed Bookkeeping answers.
5. Tackling a Trial Balance.
6. Profit and Loss Account preparation.
7. Balance Sheet preparation.
8. Answers to Legal Questions.
9. The "shortness of time" complaint.
10. Revision of one's work.

Problems
treated herein.

Having thus delivered the prologue, let us come to close quarters with the first phase of our subject:—

1.—Exam.-Room Equipment.

The thing.

It is a generally accepted fact that the best equipment for the exam. room is, of course, a thorough knowledge of the subject matter of the examination, and it will be agreed, too, that this equipment is not such as is within one's power or province wholly to give. To dislocate the standard text-books by a series of short articles is a task requiring more wit than can be credited to a "Prizeman." There are, however, many little details besides this great essential, knowledge, which may be borne in mind when taking an examination. It is one thing to have the knowledge; it is quite another to be able to transmit it to paper rapidly and coolly. Thus no apology is offered for the trivial nature of these details following, for an enviable possession—genius—has been defined as the capacity for taking infinite pains; one would therefore suggest, from experience:

Exam.-Room
Hints:—
Pens.

(a) The use of a good fountain pen, to which the examinee has accustomed himself during his studies. If this be not possible, then let him take with him a few of his favourite nibs. Exam.-room pens are proverbially shaky, to use no rougher term, and there is nothing worse than a bad pen, unless it is bad writing.

The Room.

(b) It is wise to familiarise oneself with the exam. room, and one's place in it, before starting to work. We all know how it was that "first day's nervousness" that ploughed us, and how we greeted the examiners, and the "Lord High" seniors in charge, on the morning of the second day with an air of gaiety which would ill have befitted our frame of mind on the morning of the first day. To use an Irishism, therefore, "make your first day your second," by arriving at the room early or the night before, and wearing off that feeling of unfamiliarity with the situation and surroundings which usually results in a horrible mess being made of the first effort at a problem.

Scrap Paper.

(c) Having laid in a store of paper on which to work, acquire some memorandum sheets by tearing a sheet or two into halves, and make all notes, rough trial balances, &c., on these, else it will be found that rough notes have been scrawled on the back of the worked papers—and few incidents call forth more self-abusive language.

Ruling.

(d) As regards ink, rulers, and the like, leave all that to the officials. It is amusing sometimes to see a raw youth from the country arriving with a full office outfit, saving, perhaps, his favourite stool. Red ink ruling is, in the writer's opinion, a waste of time, and worked sheets can

be ruled off just as neatly in black, with one's fountain pen, as in red, and with far less trouble. As a matter of fact, the writer always did his ruling the very last thing, conscious that written knowledge was the first thing to get down, and ruling followed if there was time, after all the answers had been written.

(e) Working by the watch in front of you is, of course, Time keeping. an old device, and very commonly used, but one would just observe that it is very upsetting unless the student has used himself to it during studies. The sensation which steals over one at half-time, when only four questions are done—and those the easiest—out of ten, is, to say the least, peculiar, reminding one instinctively of the first time “The Gov'nor” caught us smoking; whereas if the examiner's victim has tested himself systematically during his exercises, a tight corner like this serves but to add an additional charm to a situation already fairly piquant.

2.—Order of Working out Answers.

Having thus considered our equipment, let us now review our procedure on receipt of the test papers.

It may not be given to all to be able to read the first On Receiving the Paper. question, do it, the next, do it, and so on right through the paper, finishing all comfortably in good time. If there be any such amongst one's readers, these notes will be superfluous; indeed the writer would himself exchange places with such an one, and sit at the feet of the modern Gamaliel.

One might take it, then, we all read through the paper, rejoice at a stray crumb thrown to us, and look with dismay on those ingenious devices which the wily examiners have set in our path.

However, having inwardly decided that we are certainly Beginning the Answers. ploughed, we sort out those questions on which we feel surest, and begin. Here may be mentioned a simple but very useful practice—*Always commence each answer on a separate sheet.* There are two distinct advantages in this, to both of which “Prizeman” can testify from the few thousand papers worked by his students which have come before him for examination.

First, it means that if for any reason an answer is wrong Separate Sheets for every Answer. or blurred, or blotched, one need only re-write *one* answer, whilst at any time throughout the exam. the student can turn back to the sheet containing any answer, and add to it at *any length* any point which strikes him. He would ordinarily have to stop where the next question began, but he can run on from one sheet to another regardless of where he finishes, for his next question has been commenced on a new sheet.

Separate Sheets
for every
Answer.

Secondly, when he has worked all the answers he can, his answers may be put together exactly in the same order as they follow on the paper of questions. Now number each sheet consecutively in the top right-hand corner, and the examiner can read straight through and can see at a glance what questions are not done. Moreover, he does not know but that the student began with No. 1 and went right through, nor does he need to. As a coach, "Prizeman" can unhesitatingly affirm that nothing is more annoying to an examiner than to have to turn and re-turn worked papers, and count and re-count the answers before he can make sure he has properly and fully marked the student's work.

Connecting the
Answers.

Again, it is so easy to write "continued" at the foot of one sheet and the top of the next, where an answer takes more than one page to complete, that it is surprising how often this little help is omitted. An examiner otherwise never knows when he has got to the end of the answer, and may easily give a student half-marks only for an answer which is completed in a few obscure lines at the top of the next page, and therefore liable to be missed. Examiners are but human, and the easier a candidate can make their work of examination, the more likely they are to be favourably impressed with, and disposed towards, that candidate's efforts to comply with the standard test.

3.—Style of Written Answers on Lengthy Topics.

Many of the questions set at the Institute's examinations demand a straightforward written statement in answer, there being no practical exercise to work out, and no books to be drafted or entered up, but a long and detailed exposition of principles and practice is demanded; of this class of question the following is a type:—

"Describe a system of Departmental Accounts, and give its object."—(Final, June 1903.)

In considering the best method of tackling questions such as this, regard must be had to three determining factors, viz.:—

Points to note

- (a) The volume of information called for by the question.
- (b) The clear and concise style in which it may be exhibited in the answer.
- (c) The speed at which the knowledge may be transmitted to paper.

Wherever the subject is one with many and various ramifications it is quite possible that the answer, written in ordinary copybook prose, to be fully done would require a sheet or two of foolscap, and the particular paper containing the above question was one of the longest for some years.

Now, it is evident that few students could afford the time at the examination to answer the question as fully as this, and consequently the examinee has to elect whether he will give a bare skeleton or outline of the subject, or else turn out a full and lengthy answer, which he forthwith does so hurriedly that the result is a scrawl such as a self-respecting spider would hesitate to acknowledge the authorship of, for it is almost illegible, and is the wrong thing at the wrong moment to a busy examiner.

The Students
Quandary.

There is only one satisfactory solution to problems such as this, and that lies in a concise tabulated form of answer, chronologically stated wherever possible.

The Solution.

Hereupon, in speaking of a tabulated style of answer, one must hark back to that period of preparation known as the "reading up."

This is, at best, a tedious time, and no doubt the most acceptable suggestions would be such as would enable it either to be entirely dispensed with, or at any rate allow of the substitution of something more entertaining and requiring less diligence of application. It is, however, during this reading-up period that the foundation is laid for acquiring a model, a type, a style—call it what you will—of answer such as will show most knowledge in the least space, and require the least time to set out on paper.

The "Tabulated
Style."

It is suggested, therefore, that in reading-up a text-book its contents should not only be boiled down, or summarised, in note-book form, but should be set out in a *tabulated* style, and that by steady practice a student should so develop this habit as to be able, at the examination, to set down all he knows on a subject, in the fewest words, in the least time, and in such a manner that not only he, but the examiner, can see *at a glance* what the student has got to tell him on the subject. Without in any way proposing to restrict or curtail the student's ideas and originality, but applying our principles, thus advocated, to practice, the answer one would suggest to our self-imposed question for the time being would be:—

Practice therein.

SYSTEM OF DEPARTMENTAL ACCOUNTS: A Model Answer tabulated.

PURCHASES : Orders for Goods	(a) Distinctive coloured order forms, each department ; or (b) Analytical order forms (a) containing two or more classes of goods analysed (b) containing one class of goods only, marked thereon	Checked off with analysis on invoices.
Invoices inward	(a) Separate books each department ; or (b) Analytical Columnar Book Analysed from credit side Cash Book.	Posted to Purchases Day Book.
Purchases Day Books	Distinctive colours for each department (a) Separate books, each department ; or (b) Analytical Columnar Book	for posting to debit of departments in total, and for posting to credit of sellers in detail.
Cash Purchases : SALES :—	Detail slips for each sale either :	debited to appropriate departments.
Invoices outward	(a) separate for each department ;	posted to Sales Day Book.
Sales Day Book	(b) analytical, serving for all departments Balanced with cash taken	posted to credit of departments in total.
Cash Sales	Detail slips for these show <i>quantity</i> only Priced out in <i>Counting House at cost price</i>	posted to debit of purchasers in detail. collected on Summary Sheets daily.
Interdepartmental transactions		debited in Cash Book, in total. credited to departments in total. kept quite separate in counting house. Journalised :— Debiting Sales Account } Crediting Purchasers' Account } of selling department. <i>No Profit thereon.</i>

EXPENSES :—

Direct

Wages

Carriage
Repairs and Upkeep

(a) Separate Pay Sheet each department ; or
 (b) Analytical Pay Sheet all departments.
 Analysed Carriage Accounts.
 Detailed order forms.
 Analysed creditors' accounts.

Indirect

of all kinds

TWO METHODS :—

- (a) Not necessary to be analysed.
Trading Accounts only analysed.
 (b) Charged to Composite Accounts, and apportioned amongst the departments.
1. On turnover.
 2. „ number of sales recorded.
 3. „ wages paid.
- to show separate record of each department.
 collates all income and expenditure of each department separately,
 cross-figures giving totals.

TRADING, &C., ACCOUNTS

Columnar

to show (a) volume of trade of each department ;
 (b) proper utilisation and apportionment of capital
 sunk in each department ; (c) profit or loss on
 operations of each department

GENERAL LEDGER

(a) ordinary type
 (b) columnar ruling

percentage columns alongside each sterling column.

OBJECTS OF DEPARTMENTAL
ACCOUNTS

**Advantages of
Tabulation.**

This rough example of one's meaning is, it is believed, sufficient to show the great possibilities the idea affords. It is by no means a novel plan, but it is not, as a rule, sufficiently developed, for it can be made to dispense with all superfluous pronouns, conjugations, and other artistic forms of expression incidental to a prosy answer; one does not receive any shocks from the blatant use of the personal pronoun so often visible in a wordy student's answers. It allows of a student retaining throughout his effort a clear, continuous, and logical line of thought. There are no useless repetitions, the plan of the answer unfolds itself step by step, and at the close—having spaced it out well—the candidate may not only himself perceive quickly what he has set down or omitted, but can pass on to the next question confident in having caught the examiner's eye by his lucidity, whilst his next-door neighbour—full of knowledge but unversed in method—is catching his breath at the maze of stuff he has written, so closely, so irregularly, and at so great a length as to confuse himself and the examiner.

**Avoiding
Failures.**

Too often it is found that the student who has worked up his subjects well, has spared no pains to commit his knowledge to memory, and can command his memory to reproduce its impressions, fails at the crucial moment when he finds himself face to face with a situation requiring him to transmit his knowledge to paper. He writes so much on the earlier subjects of his test paper that he finds himself "when the whistle goes," so to speak, left with several questions unanswered on which he is full of information, yet lacking the time and opportunity to set it down.

**Overcoming
"Time Tests."**

So long as the "time test" examinations continue—and we shall discuss the pros and cons of this feature of examinations later—some method of conserving one's energies in the examination room must be found, and this is one of the suggestions put forward for its solution, in part, if not wholly.

4.—Detailed Bookkeeping Answers.

It is quite safe to say that the majority of candidates fear a detailed bookkeeping answer more than anything else.

The type of question to which reference is intended is as follows:—

**A typical long
Question.**

Brown and Jones engage in a joint speculation in Timber, the former being in Russia and the latter in England.

A banking account in their joint names is opened on 10th February 1900. Brown pays in £500 and Jones £660.

The following are the transactions :—

		£	s	d
1900				
15 Feb.	Bought Cargo in Riga from L. Sandherr valued at £632, less discount at 5 per cent.	600	8	0
	Accepted Sandherr's draft at 3 m/d ..	600	8	0
71 „	Paid Expenses loading at Riga	28	9	6
	Paid Freight to Hull	98	17	9
23 Mar.	Sold Robinson, Logs	165	18	0
	Received Cash, less 2½ per cent.	157	12	2
24 „	Bought from M. Reimann for Cash, Cargo of Timber, net	933	0	0
29 April	Paid Shipping Charges and Freight ..	213	0	0
24 „	Sold M. Johnson Deals, net	337	0	0
	Received his acceptance at 2 months ..	337	0	0
17 May	Sold J. James Cargo purchased from Reimann, net	1,260	0	0
	Received his acceptance at 1 month ..	1,260	0	0
30 June	Stock—Balance of Sandherr's Cargo, valued at	311	0	0

On 30th June the speculation was closed by Jones taking over the Stock at the agreed value of £311, less 10 per cent.

Adjust the Accounts as between the Partners at 30th June 1900, allowing interest on the amounts deposited at 5 per cent.

In tackling a long but comparatively simple question like this, there is the ruling of the form of books to consider, the writing in of headings thereto, the long time taken before one feels thoroughly at work on the question, and the fear of entries not balancing at the finish; all these combine to form a bogey which has real terrors, especially to the nervous. Considerations.

It is difficult to advise how these dangers may be *wholly* overcome, but it is safe to say they can be mitigated. It will be found an excellent plan to accustom one's self to mental journalising; indeed, there is no more certain aid than this to problems of the "put-these-transactions-through-the-books" style. Preliminary Hints.

The principle will be best understood, perhaps, if put this way. It is easy to imagine the length of time it would take to work out arithmetic without the aid of one's mental arithmetic. Exactly analogous is the working of bookkeeping exercises without mental journalising. All students are advised to practise this, then, without fail, on every available occasion. It can be done at times when writing is impossible, *e.g.*, in the 'bus or train, by a student having before him a bookkeeping exercise, and mentally tracing the progress of the various transactions through the books, debiting this account and crediting that, with a Journal form in the mind's eye.

"Draft "
Answers.

Indeed, one would go further than this, and point out that in any bookkeeping examination it is possible to jot down on a piece of scrap paper the Journal entries relating to each transaction. The writer found it useful to pin the examination paper to the left side of a sheet of foolscap and journalise the transactions on one line of the foolscap, opposite the transactions on the examination paper. The opening of Cash Books, Ledgers, Sales Books, and the like, is then limited merely to the speed at which one can rule and write. The candidate is relieved of the necessity for thinking out his movements, and the danger of arithmetical error is greatly reduced.

Journal Entries. On the other hand, unless detailed Journal entries be asked for by the examiner, they do not need to appear on the worked papers; adjusting entries generally suffice.

A Puzzle. Where it is not possible to do the detailed bookkeeping questions absolutely fully, and to open all Ledger Accounts without seriously neglecting questions which earn greater marks with less labour, what is to be done?

Solutions
Suggested.

The writer has no doubt whatever in his own mind that in such a case journalised entries only will gain *some* marks. They can be done so quickly, and it is far easier for an examiner to check an incomplete answer, and see the extent of the candidate's knowledge, if that answer is in Journal-entry form only, rather than in two or three half-complete Ledger Accounts. Many—perhaps wisely—always make it a rule not to open Ledger Accounts in *any* answer, unless express instructions so to do are given, or there is full time to spare. The examiner, it is thought, appreciates the saving of his time just as much as the candidate does; and who can deny that, in many instances, it is easier for him to see one's grasp of the question when the answer is presented on half a sheet in journalised form, than it is when he has to follow you through a dozen Ledger Accounts on three or four pages, all beautifully complete, but taking a lot of time. Mark, this only refers to questions which do not *specifically* call for Ledger entries, and in a Partnership Accounts question it is always advisable to show the Partners' Capital Accounts in Ledger form, as well as on the Balance Sheet.

Theory v.
Practice.

Attention must be called hereon to two points which make all the difference between a theoretical bookkeeper's answer and the polished style of the real accountant, viz.:—

- (a) In all Journal entries set out under the entry a short recital of the reason or explanation of the transaction. Remember, the date is *at the top*.

- (b) Wherever a *pro formâ* Book of Account is required to be given always insert one or two sample imaginary entries. Without these the answer is merely a picture.

As a general rule, in all detailed bookkeeping answers, **Cash Account.** it is wise to open and fully record the Cash Account, whether journalising be performed or not.

Where any Ledger or Cash Account is opened, always take the trouble to bring the balances down, and be careful to see that the date column is filled in.

As regards ruling off, opinions differ amongst those who "Ruling Off." have been through the mill. Some there are who opine that the visible proof of knowledge of their work, in the executed entries in the books, is *the* thing an examiner looks for, whilst others believe that, as an auditor or principal would expect to find his books kept, ruled, and balanced off neatly, so does an examiner look for this, and judge accordingly. On the other hand, there are those who, with an air of profound wisdom, scan the names of the examiners about to operate, and take advantage of the occasion to enlarge upon their intimate acquaintance with the said gentlemen and their certain knowledge as to what will and what will not suit the particular parties, at which we of the more distant relationship just smile, realise our awful position, and trust in a merciful Providence—and incidentally hard work—to pull us through.

If the student has to elect, therefore, which of the three **The best choice.** things he will do, viz.:—

- (1) Journalise only,
- (2) Open and keep all Ledger Accounts,
- (3) Rule off and bring balances down,

when he has not time to do all, one would advise him to make sure of (1), try (2), and leave (3).

5.—Tackling a Trial Balance.

There are several variations on this theme, all requiring **Making up a Trial Balance.** method and coolness in execution, but the first to be considered is a case where there is given a set of Ledger, &c., balances to assort into debtor and creditor columns to comprise a Trial Balance.

Here there is no need to *rewrite the particulars of* the **Hints.** Ledger Accounts as well as the figures to find a balance. Jot the debits down on the left of the column of figures on *the examination paper* and the credits to the right. It is difficult then, even designedly, to make any arithmetical mistake in the transferring of the figures, and it is so easy

Hints.

to cross out and alter the first attempt just as one pleases till a balance is obtained. *Then* transfer to the answer page.

In finding a balance it is as well to remember that there are at least three common classes of items which may either be debit or credit items, viz. :—

Variable items. *Depreciation*.—If a periodical charge to revenue, a debit item ; if an accumulated fund, a credit item.

Cash and Bank.—If overdrawn, a credit item ; if in hand, a debit item.

Suspense Account.—A debit or a credit, according to the nature of the item.

The point is, of course, that one may not be told the nature of these items, and it is quite possible that one's interpretation of each may be wrong. If the first assortment into debits and credits does not agree, then see if the difference is double the amount of any or all of these variable items, and ring the changes on them. Few, indeed, will be the Trial Balances which will fail to balance after this treatment has been applied. Arithmetical errors, of course, need no specific remedy other than care.

Test the Arithmetic.

Secondly, it may be that the Trial Balance is fully given, assorted into debit and credit balances. It is never safe even to assume the arithmetical accuracy of such questions in these days of stress. Printers' errors will occur, and however much one may feel the officials to blame for passing them, they are but human.

Watch exceptional items.

Observe, too, that the items placed to debit and credit are usual. For instance, the writer calls to mind a Trial Balance which showed, as a debit, a Reserve *Fund*, as this account had been drawn upon during the year in excess of the sum reserved to the end of the previous year. The odds are greatly against such an occurrence in an examination paper, but in the particular case referred to no little time was lost through the peculiarity not having been observed on looking through the Trial Balance.

Interest on Capital.

Always notice whether the question gives the Trial Balance *before* or *after* interest on partners' capital—or mortgages, or other loans—is taken into account, and other adjustments, such as outstanding rents, and the like, are made.

Adjustments.

All will agree how easy it is to become confused on a question where a Trial Balance is given *before* these adjustments are made, and the candidate is told to "reserve 5 per cent. " on debtors' balances for discounts, allow 5 per cent. interest " on partners' capital, and $2\frac{1}{2}$ per cent. on this, and $7\frac{1}{2}$ on " that for depreciation," and so on. The debits and credits are in perfect balance before beginning the juggling process

which these adjustments involve, but after having finished them a fellow feels he has more than a nodding acquaintance with the gentleman of whom it is said that "He dunno where 'e are."

It will be found that this difficulty can be overcome by setting out the adjustment debits and credits in the Trial Balance *alongside* the original one, against the item to which it refers, and then adding up these two extra columns each side; firstly, to prove the balance, and secondly, to show at a glance what items, being outstanding liabilities or assets, come into the Balance Sheet. To take an example: Below is shown an examination question giving a set of figures in one column (No. 3) to assort into a Trial Balance, and various adjustments require to be made. Add a column *each* side that column of figures, put the debits into the left-hand column (No. 2), the credits to the right (column No. 4), as has been previously suggested. Having thus drawn up the Trial Balance add two more columns, one to the extreme left (No. 1) and one to the extreme right (No. 5). Place the adjustment debits and credits caused by interest, reserves, depreciation, and so on, into these columns, debit and credit. The complete Trial Balance then cannot get wrong: the figures in the credit extreme column have *all* to be included in the Balance Sheet; the debit extreme column in the Profit and Loss Account.

Adjusting the Trial Balance.

Labour saving efforts.

Although this applies absolutely to the illustration here given, it may be as well to add that, with regard to more complicated cases:—

Column 5 items may be:—

- (a) A new liability.
- (b) An addition to an existing liability in Column 4.
- (c) A deduction from an asset in Column 2.
- (d) A credit to Profit and Loss Account (*e.g.*, Discount, &c.).

Conversely, Column 1 may represent:—

- (a) A new asset.
- (b) An addition to an existing asset in Column 2.
- (c) A deduction from a liability in Column 4.
- (d) A debit to Profit and Loss Account.

While an item in either column may relate to a Suspense Account (*e.g.*, Bad Debts Suspense Account), which may ultimately go to Balance Sheet or Profit and Loss Account according to circumstances.

With regard to Stock in hand, when preparing adjusted Trial Balances, it is prudent always to show the item thus:—

		Dr.	Cr.
Stock on hand, 31st Dec.	(asset)	..	
Do. do. (credit Trading Account)..			..

This, while involving a little extra labour, ensures the item of Stock on hand at end—so often overlooked—being included in the Balance Sheet, and, further, makes the Trial Balance absolutely self-contained.

When commencing to work out the Profit and Loss Account there are therefore five columns in front of the worker, *i.e.*, two debit columns, a middle column, which can be struck out, and two credit columns, thus:—

A *pro forma*
Question.

Question set:—You are required to prepare a Trading Account, Profit and Loss Account, and Balance Sheet of the firm of Robinson & Jones, merchants, for the year ending 25th March 1905, from the Trial Balance below. Each partner is to have 4 per cent. per annum interest on his capital invested; 5 per cent. depreciation is to be allowed on the machinery and plant, and 5 per cent. discount should be allowed from Debtors' Accounts, and £150 reserved for bad debts. Profits are to be divided in accordance with the amount of capital invested.



THE UNASSORTED FIGURES AS GIVEN.

	£
John Robinson ..	7,500
Edward Jones ..	3,000
Machinery and Plant ..	6,100
Stock at 25th March 1904 ..	3,700
Purchases ..	17,500
Wages and Salaries ..	700
Sales ..	22,000
Debtors ..	3,900
Creditors ..	2,100
Freight and Rail Carriage ..	280
Rents, Rates, and Taxes ..	610
Discounts ..	600
Bankers ..	2,475
Profit and Loss ..	340
Sundry Repairs ..	84
Coal and Coke ..	566
Commissions earned ..	725
Bills Payable ..	400
Bills Receivable ..	1,350
Cash in hand ..	200
Totals ..	£76,130
Stock at 25th March 1905 ..	£2,900

HOW TO MAKE-UP THE TRIAL BALANCE.

	Dr.	Cr.			
	Col. 1.	Col. 2.	Col. 3.	Col. 4.	Col. 5.
John Robinson ..			7,500	7,500	300
Edward Jones ..			3,000	3,000	200
Machinery and Plant ..		6,100	6,100		305
Stock at 25th March 1904 ..		3,700	3,700		
Purchases ..		17,500	17,500		
Wages and Salaries ..		700	700		
Sales ..			22,000	22,000	
Debtors ..		3,900	3,900		195
Creditors ..			2,100	2,100	150
Freight and Rail Carriage ..		280	280		
Rents, Rates, and Taxes ..		610	610		
Discounts ..	195	600	600		
Bankers ..		2,475	2,475		
Profit and Loss ..			340	340	
Sundry Repairs ..		84	84		
Coal and Coke ..		566	566		
Commissions earned ..			725	725	
Bills Payable ..			400	400	
Bills Receivable ..		1,350	1,350		
Cash in hand ..		200	200		
Interest ..	500				
Depreciation ..	305				
Bad Debts reserved ..	150				
	<u>£1,150</u>	<u>£38,065</u>	<u>£76,130</u>	<u>£38,065</u>	<u>£1,150</u>

All to Profit and
Loss Account.

Deleted.

All to come to
Balance Sheet.

Notice particularly whether the variable accounts previously referred to (Depreciation, &c.) are on the debit or credit side, as on that fact depends their place in the Profit and Loss Account or Balance Sheet.

The Virtues of Practice.

This model will be found very useful for quick and accurate working, for, having arrived at this stage in a few minutes, the rest is simply a question of quick copying. The complete operation as set out above looks rather formidable in appearance but is quite simple *in practice*, and this word strikes the key-note of success in all bookkeeping examination trials. Steady practice at working exercises affords the sole insurance against failure, and these simple suggestions will be of no avail in the examination room unless they have been practised in the privacy of one's own den. If Waterloo was won on Eton playing fields, the Institute's examinations no less are conquered in the daily exercise of one's duties and the supplementary grinding at night time, or as the poet expresses it :—

“ The heights that men have reached and kept,
Were not attained by sudden flight,
But they, while their companions slept,
Were toiling upwards in the night.”

6.—Profit and Loss Account Preparation.

General Consideration.

It is impossible, of course, to lay down a programme for the preparation of a Profit and Loss Account from a given Trial Balance which every student may follow ; regard must be had to the tuition which individual students have received of tutors with varying opinions, or the student may have evolved for himself, during his working of exercises at practice, a method of setting about his task which, if it produce correct results, it is not wise to disturb.

Points to note.

A few hints are offered, however, which may be of service to any student, whatever his methods of working may be.

First notice the following points relating to the Trial Balance given on the examination paper :

1. The nature of the business.

On this will depend whether or not you will show the account in 1, 2, or 3 sections :

(a) Manufacturing Account.

(b) Trading Account.

(c) Profit and Loss Account.

2. The owners of the business.

Sole Trader's Accounts.

Thus, if the accounts be those of a sole trader, there need be no Profit and Loss Appropriation Account shown, as the balance, whatever it may be, goes direct to the owner's Capital Account, or, as some accountants prefer, remains in his Current Account or Withdrawals Account.

If the accounts be those of partners, it is generally best to show the appropriation of the profits in a sub-division of the Profit and Loss Account, carrying the divisible profit down as though on an ordinary Ledger Account and then appropriating on the debit side, thus ruling the account off. Partners' Accounts.

Hereon let me call attention to a point in the division of Share of Profits. partnership profits which is often omitted, viz., that, in the absence of instructions to the contrary, the profits are divisible amongst the partners equally without regard to the amount of their capital. This may seem strange at first sight, but it will be clearly seen that if A. and B. are partners, A. with £10,000 capital, and B. with £1,000, it is possible that A. may never go near the business, whilst B. may devote all his time to managing it, and the equal share of profits may be B.'s equivalent for services rendered; one never knows the circumstances. The point is, however, that whatever the unknown factors may be, the Partnership Act, 1890—as all who have gone through the mill know—makes “equal share of profits” the rule, unless it be otherwise specified or agreed.

Another confusing factor in Partnership Accounts is interest on capital and withdrawals. Briefly stated the rule is, that interest is only chargeable either on capital or withdrawals, when the examination paper directs that it shall be charged on either or both. It is usually to be reckoned on the capital at the date of the last Balance Sheet, as sums drawn out since that date are on account of, or in anticipation of, profits earned during the current period, and are in effect deducted from each partner's share of profits at the *closing* of the accounts for the period. Once this be grasped there should be no difficulty on this point; there is no need at all for students to complicate matters by drawing up elaborate “daily balances of capital” statements. Interest on Capital.

If the accounts are those of limited liability companies there are a few special features of the Profit and Loss Account to which attention should be called; it is impossible, of course, to consider all. Company Accounts.

If an ordinary trading or manufacturing company be the example taken, the Profit and Loss Account may not differ in detail from that of a partnership, but in the case of every limited company there should be prepared a Profit and Loss Appropriation Account, as the disposal of the surplus is a matter not for the accountant or directors, but the shareholders. The former may suggest its appropriation, as may the student at the examination, but it is only on a resolution of the shareholders that the operation may be performed. At the moment of making up the Balance Sheet, then, there must be profit unappropriated, or loss Appropriation of Profits.

unprovided for, and the item must not be forgotten when completing the assets and liabilities.

Dealing with Interest.

Show interest on mortgages or debentures in the Profit and Loss Account, it is a charge against revenue; but show an interim dividend in the Profit and Loss Appropriation Account, it is a distribution of profit.

Calculate interest in months, if time passes too quickly to work out detailed arithmetic, and make a note on the worked paper as to the reason for this action.

Income Tax Deductions.

Where an interim dividend has been paid, or where the student thinks it best to show a proposed distribution, he should remember that income-tax has to be stopped, and that a Suspense Account must be opened, crediting Income-tax Account, and debiting Profit and Loss Appropriation Account with the amount of tax stopped on the dividend. If the dividend is to be in addition to tax, the full amount of dividend, and also tax on it, must be appropriated as above.

Preliminary Expenses.

If there be preliminary expenses shown as incurred it is not compulsory to charge these against the profits of that year; they may be spread over a period of, say, three or five years, rarely longer, but always point out that the nature of the details comprising these expenses should be carefully scrutinised.

Premiums on Shares.

Premiums on debentures or shares are always at the *credit* of a Ledger Account and on the liability side of the Balance Sheet, as moneys have been received therefor, and been debited to cash, without any equivalent credit "Share Account" being created, and this Ledger Account, "Premium on . . ." therefore remains an open one. In other words, there is a liability to the shareholders personally for the par value of their shares, and their account is at credit to that extent, but the premium is really surplus cash at debit—the asset—and the liability is created by a compensating open Ledger Account at credit.

Discounts.

Discounts on debentures are treated in exactly the opposite way; remember that shares cannot legally be issued at a discount, and watch carefully lest a question makes mention of the issue of, say, 15s. on £1 shares, and refers to them as "fully paid up." The omission to notice this is particularly gratifying when pointed out after the exam.!

Statutory Companies.

If the company be a statutory one, such as a gas company, there is no Profit and Loss Account, at least, of that name; the corresponding equivalent to it in this case is the *Revenue* Account—(to distinguish it from the *Capital* Account on the Double-Account System)—a Net Revenue Account, and, may be, a Net Revenue Appropriation Account. The principles deciding the charging of expenses and the crediting of income do not, however, differ from the Profit and

Loss Account of an ordinary trading limited liability company; the chief distinctive features lie in the Capital Account and the Balance Sheet, with which we deal later.

There are, of course, many other features peculiar to the annual Revenue Accounts of limited companies to which one might call attention, but space forbids; and this essay confines itself to a few of the most catchy questions which may confront a student at the examination.

Never forget, however, to notice the precise period covered by the transactions under review; be sure that the interest on capital, and all apportionments, adjustments, &c., are worked out for the proper periods—for instance, that rents and the like are calculated to accurate dates. It is not an uncommon thing for a question to be set which gives figures covering, say, “from the 31st January 190—to the 31st December 190—,” and it is so easy to take it as twelve months, instead of eleven only, working out all apportionments accordingly. Feats of this kind generally manage to escape detection till beyond the time when the exam. superintendent may be asked if it is a misprint on the paper.

Note the
Period.

Always head the Trading Account, Manufacturing Account, Profit and Loss Account, Profit and Loss Appropriation Account (or, as the case may be, the Revenue Account, and Net Revenue Account) as being “for the [stated period] ended . . .” and not as being “at” a given date. As these accounts are proper Ledger Accounts, too, they should be headed with “*Dr.*” and “*Cr.*” to the left and right respectively.

Insert Dates.

Many of these items are no doubt but small, but without egotism it may be said that it is this attention to detail which makes all the difference between a badly set-out, crude answer, arithmetically correct, and the finished work of an experienced bookkeeper or accountant.

7.—“Balance Sheet” Preparation.

The one thing by which an examiner may adjudge a student’s claim to proficiency at a glance almost is his manner of setting out a Balance Sheet. Few accounts present greater opportunities for the display of finished neatness; few receive, oftentimes, more slovenly and crude treatment. And there is required, to convert a Balance Sheet from the latter to the first-mentioned state, not only the knowledge which comes of an intimate acquaintance with well-kept books, but also that studious attention to detail and “finish” to which there has already been occasion to refer.

The Importance
of this feature.

General Considerations.

Observe that the Balance Sheet should be dated, not for "a period ended _____," but *at* a date, and write in the headings of each side "Liabilities" and "Assets." Opinions differ as to whether liabilities should be shown on the left of the account and assets to the right, or *vice versa*, but the ventilation of one's views hereon would result in too academical a discussion to serve any useful purpose, and therefore one merely expresses a preference for the more usual style of placing liabilities to the left and assets to the right. It is the usual practice, and the one best understood. As with Profit and Loss Account, so with Balance Sheets, the style of the answer will depend on the nature and ownership of the business.

Sole Traders.

If the accounts be those of a sole trader, there are only general features to be noted, as we observe later.

Partners.

If a partnership, the partners' Capital Accounts will come last on the liabilities side, as representing the surplus of assets over liabilities. Always show the Capital Accounts in detail in the Balance Sheet, commencing with the figures standing to the partners' credit at the last Balance Sheet, and showing the various adjustments by which their present capital is arrived at, as it is usual for partners to sign a Balance Sheet incorporating their capital transactions thus shown in detail.

At the examination it is best to show this information also in the form of partners' individual Ledger Accounts, this being the way they would be kept in the real Ledger Accounts.

If any partner's Capital Account be at debit, any such sum is best shown as a deduction from the total of the other partner's capital on the liabilities side, instead of as an asset. Any debt due from a partner at the date of closing the books, *e.g.*, for any household expenses, is best dealt with by immediate transfer to the debit of his Capital or Current Account; it should not be shown as an asset.

In a partnership Balance Sheet it is usual to set out the assets in the order of their liquidation, *e.g.*, cash first, stock second, debts third, and so on, although opinions differ as to this, and some accountants prefer to commence with the fixed assets, as in companies' accounts.

Loans from partners should be set out quite apart from their ordinary capital, differing from it, as a loan does, so fundamentally both as regards interest and priority in distribution of assets.

Companies.

If the accounts be those of limited liability companies, there are many devices by which the examiners may trap the unwary, and one could devote a series of articles

profitably—at any rate to one's self—by discussing methods by which these ambushes may be avoided.

Without going into detail, however, it should be pointed out that Table A, scheduled with the Companies Acts, gives a young beginner a full idea as to the best form to adopt in all general cases; and most companies, whether they have formally adopted Table A or not, follow the scheduled form of Balance Sheet pretty closely, by accident or design.

"Arrears on shares called up" deserve a moment's notice; some accountants prefer to show these as assets, debts due, and to show the full capital called up as the liability. Others, including "Prizeman," perceive objections to this, and prefer to deduct calls in arrear from the capital called up on the liabilities side, carrying out the balance, cash actually received. Calls in Arrear.

Forfeited shares are always a source of distraction, and in a contest with many young students would end victorious, one fears. The student should remember that where shares are forfeited their full value to the amount called up is cancelled, and deducted from the capital called up on the liabilities side. The position is thus as though these shares have never been paid on, or even issued. Forfeited Shares.

But money has had to be paid on them at the time of application, and may have been on allotment or earlier calls. The cash is in the coffers, at debit, where is the credit? It is provided by "Forfeited Shares Account," which is credited exactly as though "Mr. Forfeited Shares" had deposited the money without the right of repayment, and this is why the item is shown quite apart from capital on the liabilities side.

A beginner is often tempted to ask why it should be that forfeited shares, having reverted to the company with money paid on them, are properly shown as a liability, but it should be noted that the *asset* is the cash included in the cash balance on the assets side of the Balance Sheet, and the compensating liability is to a nominal account, "Forfeited Shares," at credit, just as share capital is at credit.

If the company be a statutory one, the Double Account system must, of course, be applied, and the Balance Sheet shown in two divisions, "Capital" and "Revenue," with capital assets always at cost price. Depreciation in this case, where provided, is not deducted from the assets, but shown as a liability, possibly with the funds specifically invested and shown as assets under that head. Otherwise it is profit withheld from distribution represented in various floating assets. Statutory Companies.

All Balance
Sheets.

The general items to observe on all Balance Sheets are:—That reserves for specific purposes, such as bad debts and discounts, should be shown as deductions from the gross amount of the asset. A general Reserve *Fund*, however, would be shown as a liability, and here again note if it is specifically invested.

Depreciation is similarly treated, except in the case of companies whose accounts are on the Double Account system, as has been said.

Unappropriated profits must be shown at the end of the liabilities side, and interim dividend paid must be deducted therefrom, so as to show the present available surplus.

To gain an extra mark it is wise to insert a short note if any special kind of audit would need to be applied to the accounts, of which the Balance Sheet would bear a certificate or report. Instances will at once occur to the mind, such as the elective auditors of boroughs, the shareholder-auditors of railways, the Board of Trade audit of statutory companies, and the like.

8.—Answers to Legal Questions.

Longer time
available.

It will be agreed by most of one's fellows who have passed through the time of examination room adversity that rarely, if ever, is the legal portion of the Institute's examination a "time-test"; rather is it somewhat of a delicious change to find, when the extreme pressure of the accountancy papers is over, and we have finished our race against the clock—the latter generally winning by a short head—that there is an opportunity for a quiet doze over the law paper—time to think out one's answer before setting it down. Of this allowance, needless to say, full advantage is taken, and it is just as well that there should be given time to think out one's answer to legal questions, especially as the tendency of setting stated cases as tests of theoretical knowledge seems to be growing.

The need to
think.

Questions such as these are of great practical value, and need answering in a practical way. Who would deny, then, that it is the usual custom of lawyers to "take time to consider" before they answer problems? Here, however, the simile breaks down, for the lawyer's reply means in effect "wait till I have consulted my books," whereas in an examination room our budding accountant's only reference is his mental library.

New Factors.

Granted, then, that the legal papers are not time tests, one must revise his examination room procedure accordingly, and as many of the points previously dealt with in these articles are put forward with the idea chiefly of

economising time they will not apply with the same force to this section of the examination as to the accountancy section.

This does not mean, however, that our theme is devoid of opportunities for suggestive and helpful hints, for there is very often a tendency, even on the part of those students who are excellent in their bookkeeping and accountancy papers, to be far from thorough in their treatment of the law papers; and it would be safe to say that no student can hope for honours except he knows his law well, and, what is more, can display his knowledge well.

It must not be forgotten, as has well been said, that whilst an accountant cannot be expected to be a fully-fledged lawyer, yet his examiners in law are lawyers, and it behoves him to set out his legal knowledge in a style such as will appeal to those of a legal turn of mind. Examiners in Law.

In an answer to a law question one must be precise, awfully precise; a loosely-worded answer may convey the right view, but it must on no account be ambiguous. Need for Precision.

Definitions of terms, for instance, should always be memorised from the statute and the section quoted, and as far as possible the wording of the standard text-books should be followed generally. Even if the phrases cannot be remembered word for word, the reasoning, the deductions, should follow logically as a law text-book would present them. Definition.

The style of the answer, again, has a great deal to do with the answers being set out well; if the tabulated analytical style be followed, to which attention has been devoted in the earlier articles, it will insure that the line of thought runs continuously, so that the examiner may follow the thread of the story. It is, as has also been observed, a valuable aid to conciseness. Tabulation.

Answers to legal questions are, as a rule, too wordy. The less that can be said, yet preserving the full sense, the better. Never commence an answer with "Yes" or "No," and let the answer read without reference to the question. That is, if asked, "What are the duties of an executor as regards wasting securities?" do not launch out thus:—"To sell and reinvest in authorised securities," but make the answer include the essence of the question, and reply, "The duties of an executor as regards wasting securities are:—"

"(1) To realise on them forthwith, where a tenant-for-life and remainderman are beneficiaries interested in it. A Model Answer.

"(2) To pay over to the tenant-for-life not more than 4 per cent. on the earnings of the wasting assets pending transfer.

"(3) To invest the proceeds in statutory securities.

"(4) To pay over to the tenant-for-life the income on the new investments.

"This follows the rule in *Howe v. Lord Dartmouth*."

Case Law.

Opinions differ with regard to quoting the cases which have decided the point raised by the question, but a great deal of time is certainly wasted by students in trying to memorise all the cases possible, and probably it is wisest to confine one's self to remembering only a few of the leading cases which have far-reaching effects, such as the one above. If these bounds be transgressed, it is long odds on the wrong case being cited at the examination, and, after all, it is to a great extent parrot-like knowledge.

Use of
Contracted
Words.

A great temptation besetting students at the examination is that of using contractions instead of writing out the names of the Acts and the like in full. It certainly is provoking that such an Act as the "Preferential Payments in Bankruptcy Act, 1897," has the misfortune to fall within our syllabus, and one does not doubt that many of the curtailed descriptions of this and other similar Acts are very puzzling to an examiner, for, indeed, they are often fearfully and wonderfully made. Even this, though, must be surely preferable to the work of the student who spreads broadcast throughout his answers references to "45 & 46 Vict. c. 43, s. 1y," or "*Smith v. Jones*, 1893, 1 Ch. 497," and so on, instead of using the short titles of the Acts, &c., and what an awful waste of time there must have been in committing these to memory.

Avoiding
Dogma.

Finally, it is a mistake to be too dogmatic in one's legal answers. Thus often one reads, "Jones should certainly have done so and so," where "Jones *may*"; and, also, a student sometimes expresses himself forcibly as to the error which A. may have committed in his dealings with B. in a stated case, instead of suggesting reasons which may make an otherwise improper action quite defensible. Moderation in one's views is always a good point of an answer; restraint in setting out one's arguments loses no marks; and, above all, the absence of the jocular spirit, which some facetious students find it hard to repress, is a special factor; all these combine to strike the eye of the legal examiner.

Need of
Restraint.

9.—The "Shortness of Time" Complaint.

A word in
support.

One's views on this hardy annual may not be popular, but at any rate one's *nom de plume* is a preventative against suffering assault and battery, and thus one is constrained to let loose one's ideas, and plead guilty to being

a strong supporter of all accountancy examinations being made, and kept, time tests. Next to a thorough grounding in logic, there is, in the writer's opinion, no more effective inducement, or goad, put it as each one may please, to training the mind in channels of quick and clear reasoning than a trial such as our Institute Examinations afford. Mark, the time-test business can be overdone; that cannot be denied. There are extremes in all things, but it is rarely that the Institute examiners set a paper quite impossible of performance in the given time, and, so long as examinations continue, the setting of questions constituting what are known as "time tests" are quite proper, and, indeed, essential, if those who survive them are to be relied upon as trained thinkers, and not merely crammed coachees—the terms will, it is believed, be understood.

The reasons for holding this view are many, based not on personal fads or assumed superiority, but on a somewhat lengthy experience, both as disciple and apostle, in the precepts of our profession, and the various examinations open to us. Of all the examinations with which fate has confronted the writer none have, in later years, proved to be more beneficial or more really educational than the time tests in the Accountancy and Auditing papers of the Institute or Society, and this one attributes almost wholly to the essential features of the preparation which is necessary for such a test.

First, one might mention the *thoroughness* of the preparation. It will be agreed by all who have passed through the mill that whatever luck or good result may attend on mere reading, as preparation so far as the law portion of the examination is concerned, it is generally absurd for a student to presume to sit for the Accountancy papers unless he has, in addition to reading and his daily duties, assiduously cultivated his capacity for working out exercises at top speed; and this cultivation, or practice, carries with it, essentially, the acquisition of the powers to think rapidly, to reason clearly, to argue lucidly, and lastly, to express one's self without ambiguity or tautology.

Here, then, is the trial as to what sort of stuff the candidate is made of, or has made of himself, one should rather say. Is he "fit"—athletes need no better simile. If he is, he relishes the time test, and the more hurdles the better.

Secondly, given two men of equal calibre, as far as general knowledge goes, the one accurate and a quick worker, the other as accurate but a slower worker. Who shall say that the former shall be robbed of

Reasons.

Thoroughness.

The Advantage of Speed.

his advantage, and what better method can there be of giving him that advantage than subjecting him to a time test?

Broadness of Preparation.

Thirdly, the time-test principle places a premium on broadness of preparation. The more a man knows, the more subjects he has made a speciality of, the more joyful he is at the greater choice of subjects given him at the examination—the more available matter for treatment, the better he shines. In other words, the time test creates the difference between an Honours man and a pass man, and surely any levelling down would be regrettable.

Time Tests Approved.

In conclusion, then, one's opinion decidedly is that, providing extremes be avoided and the principle not carried to absurdity, the time test is good alike in theory and practice, and should at all costs be upheld as tending to sustain the high standard of the candidates achieving success.

10.—Revision of Work.

Allowance for Revision.

As the hands of the inevitable examination room clock speed round at a pace which makes the busy candidate search in vain for a Latin phrase expressing "tempus fugit" in the superlative, each student has to calculate what length of time he will allow himself for revising his work. And here, again, the practised hand is revealed, as there are many who have become so hardened by their examination room experience that little revision may be necessary, for the need of it has been reduced to a minimum.

"Making up" the Answers.

The student who has followed out the practice of commencing each answer on a separate sheet has but to slip the various worked sheets into their proper place, and the answers follow in exactly the same order as they appear on the examination paper. If each be then numbered book-wise in the top right-hand corner, and fastened, the little volume is complete, and is ready for verbatim reading, either by student or examiner, or both, with a minimum of trouble.

The Candidate's Position.

There are two classes of considerations now to be dealt with, corresponding to the respective positions in which the candidate finds himself, thus:—

- (1) He may have set down all he knows and have time on his hands.
- (2) He may be only part way through his answers, and have other matters waiting to be committed to the paper.

In Class 1 there are various degrees; there is the youth who has soon discovered that his light will never shine

refulgently in the accountancy world, and who either forthwith puts it under a bushel by a very early exit from the place of strife, or sits, Micawber like, waiting for flashes of inspiration.

Now this latter is an attitude to be commended ; never leave an examination room until the time is completely up, even if all one's available knowledge has petered out in the first half-hour ; it is impossible to tell what bright ideas will come in the mind immediately fresh air has been reached, and what is more provoking than this happening?

Stay to the Finish.

A further hint to this class of student is, having exhausted all the resources of the memory, and there being further questions to answer, see if any of the questions themselves do not suggest an answer to other questions. Often it has happened—and it is feared, or hoped, always will—that the examiners, in setting more than one question on the same subject, themselves provide material for other questions on the same paper. Thus it is by no means unusual for one question to ask, "What are the items in the company's Balance Sheet which would require special verification or evidence in support," and in the same paper there may be given a Trial Balance of a company's accounts which itself suggests the very points required to be noted.

Hints to enforced Idlers.

Suggestions on the Test Papers.

This is by way of example only, for variations may be found in plenty with the same idea current in all.

Then it is prudent also for a student who is killing time to devote special pains in finishing off his ruling, bringing his balances down, and so on, thereby, by particular neatness and finish, adding to his marks, and drawing on the examiner's reserve store to the greatest possible extent ; for, if he be weak on one subject only, those few marks may make all the difference to his success when his other papers are taken into consideration.

Neatness.

If, notwithstanding all this, his work is a ghastly failure, he is best left to soliloquise on the stony state of the examiner's heart, and the delights of covering the same ground again in further preparation without a feeling of strangeness, whilst the writer passes on to consider the procedure of those whose effort throughout the paper has been a constant struggle against the gentleman with the scythe and the time-glass, whose sands are fast running out.

Generally speaking, if the student has gauged his time well, it is advisable to read through all he has written, for it will surprise those who do not regularly do this to find how often they have omitted the word "not," or such

Read one's Answers.

other little words or clauses, vitally altering the sense of that which they have written, and which an examiner may attribute either to great haste or to gross ignorance.

An optional course.

If time has not been allowed for this it is often a choice between working right up to time to get the words down on paper, or leaving all written work whilst the sheets are read through. In this the student's knowledge of himself is his best guide, but the latter choice is the safer of the two, and, personally, the writer always preferred it, for the finish and preciseness which thereby could be attained.

Answers by Reference.

A useful plan, too, is to observe whether the answer to one question does not indirectly bear on another answer; and although answer by reference is to be deprecated as a principle, it is often policy to add a rider at the end of the answer that "an exemplification of this answer will be found in the answer to Question 8," or "the subject receives further treatment in the answer to Question 10," and so on.

Finishing Off.

If the paper has been worked on the lines suggested in the preceding articles, there should be no difficulty in arranging to leave a certain amount of time at the finish of the test available for opening Ledger Accounts from the journalised entries, or for ruling off and bringing down balances, or both, as the case may be, so that if possible the whole paper may have been answered, and given the necessary final touches; or, if that be not possible, that the maximum number of marks shall have been earned with the least waste of effort, when the gentle voice of the overseer awakes us with a start and a curious recollection of the words being familiar as he sings out, "Time, gentlemen, please."

Taking Leave.

Then does each one hand in his ultimatum, and retire once more into that solitude, or gaiety, from which he has been so rudely uprooted, and all because nowadays it is necessary to have examination qualifications to get on, and the average student prefers getting on to getting out.

Author's Exit.

With these few notes, then, the writer bids his adieux, only lingering to throw the conventional parting shot by expressing his hope that if his short series of articles have been found of use he is well rewarded; and observing also, perhaps unconventionally, that, if they have not, the publishers' fee may perhaps be made to serve him as a sufficient solace.



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